

Public Notice

**State Plan Amendment (SPA) 23-0002
Medicaid Payment Rates for Inpatient Hospital Psychiatric Intensive Care
Services**

Posted: November 30, 2022

The Iowa Department of Health and Human Services (HHS), pursuant to the requirements outlined in 42 C.F.R. §447.205, hereby gives notice of the following proposed action regarding changes to the reimbursement rates for inpatient hospital psychiatric intensive care services provided by enrolled hospital providers under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Pursuant to the authority of 2022 Iowa Acts, House File (HF) 2578, Section 31, if 2022 Iowa Acts, HF 2546 is enacted, by January 1, 2023, the Department of Health and Human Services shall implement a tiered rate reimbursement methodology for psychiatric intensive care utilizing the tiered rate reimbursement methodology developed in accordance with the Act, subject to the limitations of the appropriation made for this purpose. HF 2546 was enacted on June 14, 2022, by authority of the Governor of Iowa.

The Medicaid State Plan Amendment (SPA) IA-23-0002 will amend Attachment 4.19-A to implement reimbursement rates for psychiatric intensive care services effective January 1, 2023.

Acute psychiatric intensive care services. Services that meet the criteria at 441—subrule 78.3(8) shall be reimbursed as follows:

1. Services provided in a psychiatric unit certified pursuant to paragraph 79.1(5)“r” will be paid based on the hospital-specific per diem rate as calculated pursuant to subparagraph 79.1(5)“i”(1) plus 42.59% for covered days billed with the appropriate psychiatric intensive care revenue code and procedure code.
2. Services not provided in a psychiatric unit certified pursuant to paragraph 79.1(5)“r” will be paid based on the hospital-specific DRG payment rate as calculated pursuant to paragraph 79.1(5)“b” plus an add-on per diem rate of \$520.47 for covered days billed with the appropriate psychiatric intensive care revenue code and procedure code.

Estimated Fiscal Impact: The estimated increase in Medicaid fee-for-service (FFS) expenditures for State Fiscal Year (SFY) 2023 related to the inpatient hospital psychiatric intensive care service rate increase is:

Total Dollars:	\$ 203,417
Federal Dollars:	\$ 128,417
State Dollars:	\$ 75,000

Public Review and Comments: A copy of this SPA is posted on the HHS website at the following link: <https://hhs.iowa.gov/public-notices/payment-rates-inpatient-care>. The SPA is also available for public review at each local HHS office.

Submission of Comments: Written comments may be sent to Hannah Olson, Behavioral Health and Substance Use Disorder Policy Specialist, Department of Health and Human Services, Iowa Medicaid, 1305 E. Walnut Street, Des Moines, IA 50319 or may be emailed to holson1@dhs.state.ia.us. Please indicate SPA IA-23-0002 in the subject line of the email. Written and emailed comments must be received no later than 30 days from the posted date of this notice by 4:30 p.m.

